
Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)
)
Amendment of the Commission's Rules) WT Docket No. 97-82
Regarding Installment Payment Financing for)
Personal Communications Services (PCS))
Licenses)
)
Order on Reconsideration of the Fourth Report)
and Order)

To: The Commission

**PETITION FOR RECONSIDERATION
(EXPEDITED ACTION REQUESTED)**

U S WEST WIRELESS, LLC

Julia K. Kane
Jeffry A. Brueggeman
1801 California Street, Suite 5100
Denver, CO 80202
(303) 672-2722

**SPRINT SPECTRUM L.P.
DBA SPRINT PCS**

Jonathan M. Chambers
401 9th Street, N.W., Suite 400
Washington, D.C. 20004
(202) 585-1923

April 4, 2000

SUMMARY

U S WEST Wireless, LLC and Sprint Spectrum L.P. dba Sprint PCS (“Petitioners”) hereby seek expedited reconsideration of the *Order on Reconsideration of the Fourth Report and Order* in this docket, folding in all outstanding dockets and other proceedings addressing potential changes to the C and F block auction rules for the upcoming July 25 reauction. Reconsideration is clearly warranted to ensure that the Commission’s rules for this reauction further the statutory objectives set forth in Section 309(j) in light of the updated record now available.

The Bureau has developed an extensive record on DE eligibility, frequency plan, bulk bidding, spectrum caps, and other interrelated issues related to how this upcoming auction will be conducted, in response to petitions by several parties. The Petitioners submit that this record demonstrates that the current rules will *not* serve all of the statutory objectives, and, accordingly, reconsideration is warranted.

In this petition, the Petitioners set forth a proposal for the upcoming reauction that is based on their previously-filed comments in several proceedings. Specifically, Petitioners propose that the Commission:

**Divide the 30 MHz C block licenses into three 10 MHz licenses;
Authorize non-DEs to bid for these 10 MHz C block licenses, the 15 MHz C block licenses, and the 10 MHz F block licenses;
Continue to provide DEs with bidding credits for all C and F block licenses; and
Utilize a single simultaneous multiple-round auction for all of these licenses, on a BTA basis, and allow license aggregation without regard to the 98-license limit that would otherwise apply to C and F block licenses.**

The Commission should consider *all* proposals made in any of the pending proceedings regarding the C and F block reauction and reach a prompt decision that finally addresses all outstanding issues and filings.

Procedurally, the Commission should proceed directly to an order adopting the necessary rule after giving public notice of this petition. Petitioners ask that the public notice be expedited, and only a short time for comments allowed, so that rules can be adopted promptly. The Commission should make clear in the public notice that it will be taking action not only on the instant petition but on *all* outstanding filings concerning how the C and F block reauction should be held, and that the complete record will be considered. Thus, the Commission would thereafter be in a position to issue a single order establishing the rules for this reauction so as to further the objectives set by Congress in Section 309(j)(3) of the Communications Act. This action will simplify the reauction process and provide needed certainty to all parties.

TABLE OF CONTENTS

SUMMARY	i
I. THE COMMISSION’S <i>ORDER</i> AND THE C AND F BLOCK AUCTION RULES SHOULD BE RECONSIDERED IN LIGHT OF THE RECORD RECENTLY COMPILED	1
II. PROPOSAL FOR FURTHERING ALL FOUR § 309(j)(3) OBJECTIVES	4
III. THE COMMISSION CAN AND SHOULD ADDRESS ALL OUTSTANDING PETITIONS AND ADOPT THE NEEDED RULE REVISIONS IN A RECONSIDERATION ORDER	7
CONCLUSION	11
APPENDIX: SPECIFIC PROPOSED RULE CHANGES	12

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of)	
)	
Amendment of the Commission's Rules)	WT Docket No. 97-82
Regarding Installment Payment Financing for)	
Personal Communications Services (PCS))	
Licenses)	
)	
Order on Reconsideration of the Fourth Report)	
and Order)	

To: The Commission

**PETITION FOR RECONSIDERATION
(EXPEDITED ACTION REQUESTED)**

U S WEST Wireless, LLC ("USWW") and Sprint Spectrum L.P. dba Sprint PCS ("Sprint") (collectively, "Petitioners") hereby petition the Commission, pursuant to 47 C.F.R. § 1.106, for reconsideration of the *Order on Reconsideration of the Fourth Report and Order*¹ and request expedited action on this petition.

I. THE COMMISSION'S *ORDER* AND THE C AND F BLOCK AUCTION RULES SHOULD BE RECONSIDERED IN LIGHT OF THE RECORD RECENTLY COMPILED

In 1998, the Commission amended its designated entity ("DE") eligibility rules for purposes of reauctioning PCS licenses in its *Fourth Report and Order*.² In the *Order*, the Commission declined to reconsider these rules in response to a petition for reconsideration by Omnipoint Corp.

¹ *Amendment of the Commission's Rules Regarding Installment Payment Financing for Personal Communications Services (PCS) Licensees*, WT Docket 97-82, *Order on Reconsideration of the Fourth Report and Order*, FCC 00-54 (Feb. 29, 2000) ("*Order*"), summarized, 65 Fed. Reg. 14,213 (Mar. 16, 2000).

² *Amendment of the Commission's Rules Regarding Installment Payment Financing for Personal Communications Services (PCS) Licensees*, WT Docket 97-82, *Fourth Report and Order*, 13 F.C.C.R. 15,743 (1998).

Recently, however, a further record has been established demonstrating that these very rules need to be revisited, with respect to the upcoming July 25 reauction of C and F block licenses. In the time that has passed since the *Fourth Report and Order*, many relevant facts have changed.

The DE eligibility rules, which were established in the *Fourth Report and Order* and left unchanged by the *Order*, have already been placed in issue for the upcoming reauction, along with other important auction rules, and a substantial record has been compiled on whether and how they should be changed. Petitioners submit that reconsideration of the *Order* is warranted because the *Order* did not take into account relevant facts that had been presented in petitions filed by Nextel Communications, Inc.³ and SBC Communications Inc.,⁴ shortly before the *Order* was adopted. These petitions address DE eligibility issues closely related to those at issue in the *Order* and the *Fourth Report and Order*. Nor could the *Order* take into account the record subsequently compiled in response to the Wireless Telecommunications Bureau's public notice seeking comment on these petitions⁵ — including comments, replies, proposals, and *ex parte* filings.

³ Nextel Communications, Inc., *Petition for Expedited Rulemaking or, in the Alternative, Waiver of the Commission's Rules* (filed Jan. 31, 2000) ("Nextel Petition").

⁴ SBC Communications, Inc., *Petition of SBC Communications, Inc. for a Waiver of Section 24.709 and for Expedited Action* (filed Jan. 21, 2000) ("SBC Petition").

⁵ Public Notice, *Wireless Telecommunications Bureau Seeks Comment on Nextel Communications, Inc.'s Petition Regarding PCS C and F Block Spectrum; Extension of Filing Deadline for Comments to SBC Communications, Inc.'s Request for Waiver*, DA 00-191 (WTB Feb. 3, 2000); see also Public Notice, *Wireless Telecommunications Bureau Seeks Comment on SBC Communications, Inc.'s Request for Waiver of the Eligibility Requirements for Participation in the Upcoming PCS C and F Block Auction*, DA 00-145 (WTB Jan. 31, 2000); Public Notice, DA 00-271 (WTB Feb. 11, 2000) (filing deadline extended). In addition, the Bureau also sought comment on several additional petitions for waiver that were filed. See Public Notice, *Wireless Telecommunications Bureau Seeks Comment on AT&T Wireless Services, Inc., BellSouth Corporation and Bell Atlantic Mobile, Inc. Petitions Regarding CMRS Spectrum Cap Limits*, DA 00-318 (WTB Feb. 18, 2000). Some other petitions for waiver have been filed that have not been placed on public notice. See, e.g., *Petition of U S WEST, Inc. for Waiver or Amendment of the Rules Governing Reauctions of PCS C and F Block Spectrum*, filed in No. DA 00-191 (Mar. 1, 2000). Finally, the Bureau has acknowledged that its auction procedures may have to be adjusted to take into account the outcome of any action on the many petitions, comments, and related filings. See Public Notice, *C and F Block Broadband PCS Spectrum Auction Scheduled for July 26, 2000; Comment Sought on Reserve Prices or Minimum Opening Bids and Other Auction Procedural Issues*, Report No. AUC-00-35-A, DA 00-504 at 2 & n.5 (March 3, 2000).

This comprehensive record addresses the extensive changes that have taken place in the wireless telecommunications arena over the last half-dozen years — notably, changes in how designated entities (“DEs”) have participated in wireless auctions and services, changes in the wireless marketplace, changes in wireless technology, and changes resulting from rapid expansion of existing wireless services.⁶ The rules that were reaffirmed in the *Order* do not take all of these changes fully into account. As a result, the rules governing the upcoming reauction no longer reflect an appropriate balance of the factors that Congress directed the Commission to further in its auction rules. Given the extensive record already compiled, the Commission must reconsider its rules to ensure that the upcoming reauction of C and F block PCS licenses, Auction No. 35, is conducted under rules that further the objectives contained in Section 309(j)(3) of the Communications Act.⁷

That statute requires that the Commission craft its auction rules to promote a variety of objectives, including: (A) “rapid deployment of new technologies, products, and services for the benefit of the public,” (B) promotion of “economic opportunity and competition” and encouraging participation by “a wide variety of applicants, including small businesses,” (C) recovery for the public of part of “the value of the public spectrum resource,” and (D) “efficient and intensive use of the . . . spectrum.”⁸ In the *Order* and the *Fourth Report and Order*, the Commission revised some of its rules principally to address problems that had arisen resulting from the way the Commission had sought to further the diversity objective, Section 309(j)(3)(B). A review of the fuller record that

⁶ Petitioners incorporate herein by reference all of the petitions, comments, reply comments, and *ex parte* submissions concerning the proceedings cited in the prior note. By incorporating these submissions into the record, Petitioners do not necessarily endorse the views stated therein, but rather wish to ensure that they are fully considered in the Commission’s proceedings on reconsideration. Petitioners request that in any public notice concerning the instant petition, the Commission give notice that in disposing of this petition it will also take final action on all outstanding petitions, proposals, and other requests related to how the upcoming auction will be conducted, as well as any later-filed, timely petitions for reconsideration of the *Order*.

⁷ 47 U.S.C. § 309(j)(3).

⁸ 47 U.S.C. § 309(j)(3)(A)-(D).

now exists, however, reveals that further rule revisions are in order to ensure that *all four* statutory objectives are furthered.

Among the issues raised by the SBC and Nextel petitions and responsive filings are whether, in light of the current state of affairs, there should be a broadening of eligibility to participate in the reauction beyond DEs, changes to the band plan for 30 MHz C block licenses, and a shift from BTA-by-BTA auctions to a “bulk bid” auction of certain licenses. There are also filings arguing in favor of maintaining the *status quo*.⁹

Given the record that has been established and the proposals that have been submitted, the Commission should reconsider its *Order* in order to review its auction-related rules and revise them to further *all* of the statutory objectives to the greatest extent possible.

II. PROPOSAL FOR FURTHERING ALL FOUR § 309(j)(3) OBJECTIVES

It is indeed possible to further all four of the statutory objectives, as well as serving the broader public interest and facilitating the delivery of advanced services. Petitioners respectfully submit that this can be accomplished, based on the record compiled to date, in the following way:

Divide the 30 MHz C block licenses into three 10 MHz licenses;

Authorize non-DEs to bid for these 10 MHz C block licenses, the 15 MHz C block licenses, and the 10 MHz F block licenses;

Continue to provide DEs with bidding credits for all C and F block licenses; and

Utilize a single simultaneous multiple-round auction for all of these licenses, on a BTA basis, and allow license aggregation without regard to the 98-license limit that would otherwise apply to C and F block licenses.

Proposed rules reflecting this approach are set forth in the Appendix.

⁹ Other filings have questioned whether the CMRS spectrum cap should be applied to this reauction.

Petitioners believe that this proposal, which reflects their prior submissions, which have already been subject to comment, would best further all four of the statutory objectives for the reasons set forth below. Nevertheless, Petitioners recognize that the Commission will need to consider alternatives to some of these elements in the difficult process of reaching the appropriate balance.¹⁰

Small business bidding and entry will be facilitated by the USWW-Sprint plan. By splitting up the 30 MHz licenses into three 10 MHz licenses, the Commission will increase the number of licenses available in the reauction from 104 to 190. As a result, DEs would have increased opportunities, because they will be eligible to bid *with bidding credits* for all 190 licenses. Moreover, the 10 MHz licenses would be more affordable than 30 MHz licenses, an important factor for small businesses with more limited access to capital. DEs wishing to bid for 30 MHz would be free to do so, but those targeting specialized markets or seeking to partner with other PCS operators would have the ability to choose less than 30 MHz.

At the same time, this proposal would also create important new opportunities for non-DE carriers to bid for blocks of spectrum suitably sized for efficiently increasing capacity or coverage and for deployment of new services. For example, carriers may need to extend their existing service regionally, to accommodate growing demand, or to provide 3G wireless services where their existing spectrum is insufficient for 3G as well as existing services.

¹⁰ For example, if the Commission finds it necessary to continue to set aside frequencies for designated entities — even though it has not found that necessary in auction rules for services adopted after the PCS rules — **the Commission should, alternatively, consider continuing the DE set-aside for one of the 10 MHz C block licenses, while opening eligibility for all other licenses being reaucted.** Under this alternative, DEs would continue to receive bidding credits for any C or F block licenses, whether or not set aside. This modified version of the Petitioners' plan would allow the Commission to ensure opportunities for DEs by continuing a C block DE set-aside, while at the same time providing opportunities for non-DEs to bid for the licenses being reaucted, other than the one set-aside C block license. Under this plan, every market is guaranteed to have at least one C block DE licensee, furthering diverse ownership of telecommunications facilities and fostering opportunities for entities not traditionally represented in the telecommunications field due to lack of access to capital.

A bulk bid approach would not achieve these benefits. The bulk bid proposal would lock up most of the licenses for a very limited number of potential bidders — possibly Nextel alone — who are willing and able to bid for a large block of spectrum nationwide. Even though Nextel is a nationwide carrier, the spectrum cap rules exempt its SMR spectrum holdings over 10 MHz, ensuring that Nextel would be eligible everywhere for a 30 MHz license, unlike virtually any other significant incumbent.¹¹ Incumbent carriers needing limited amounts of spectrum in specific areas would be reluctant or unwilling to bid for spectrum greatly exceeding their business needs. Reliance on the aftermarket to dispose of excess spectrum is unrealistic, given the general uncertainty and inefficiency of relying entirely on the aftermarket.¹² As a result, the bulk bid proposal would not further the objectives of efficient spectrum use, securing for the public the value of the spectrum, or deployment of new services and technologies. It would also diminish, rather than increase, opportunities for new DE entry.

The *status quo* — leaving the existing 30 MHz block size and DE eligibility rules in place unchanged — also will not further all four of the Section 309(j)(3) objectives, nor will it facilitate the delivery of advanced telecommunications capabilities, a key goal of Section 706 of the Telecommunications Act.¹³ Petitioners submit that the existing rules will deprive existing licensees of needed opportunities for deploying new technologies and services, by denying them eligibility; it will diminish the value of spectrum recaptured by the public, by closing the pool of bidders; and

¹¹ USWW appears to be the only other major non-DE wireless carrier that would not be precluded by the spectrum cap from bidding under the Nextel bulk bid proposal, but USWW does not support the bulk bid proposal.

¹² In addition, the anticollusion rules would prevent bidders from having discussions about aftermarket sales with other auction participants during the auction. As a result, it would be difficult or impossible for bidders to make rational bulk bids based on their own spectrum needs, if they have to bid for more spectrum than they need, due to the uncertainty of whether they would be able to sell off unneeded blocks of spectrum in the aftermarket quickly and at a reasonable price.

¹³ See Section 706 of the Telecommunications Act of 1996, codified at 47 U.S.C. § 152 note.

it will lead to inefficient use of the spectrum, because new entrants will have to bid for a full 30 MHz of spectrum, exceeding what they need for a start-up PCS operation, instead of having the opportunity to bid for 10 or 20 MHz and allowing the remaining spectrum to go to others who can put it to a better and more efficient use.

III. THE COMMISSION CAN AND SHOULD ADDRESS ALL OUTSTANDING PETITIONS AND ADOPT THE NEEDED RULE REVISIONS IN A RECONSIDERATION ORDER

Given the upcoming July 25 date for the C and F block reauction, the Commission needs to act expeditiously to resolve all of the issues concerning how the reauction will be conducted. Petitioners submit that the best way to proceed is to fold all of the outstanding petitions and other filings relating to the reauction into an expedited order on reconsideration in the instant docket. This can be accomplished as follows:

Issue (and promptly publish in the Federal Register) a Public Notice stating that:

The instant Petition for Reconsideration is being given expedited consideration, with a very brief comment period;¹⁴

All of the outstanding petitions and proposals regarding the C and F block reauction will be resolved in a single consolidated order addressing this Petition;

Any additional petitions for reconsideration of the *Order* will be addressed in this consolidated order, without establishment of any further comment period;

An order addressing all C and F block reauction issues will be issued promptly thereafter.

As soon as possible thereafter, issue (and publish in the Federal Register) an order on reconsideration that:

¹⁴ The D.C. Circuit has specifically endorsed the Commission's establishment of brief comment periods and elimination of formal reply periods when needed to accomplish the statutory objective of minimizing regulatory delay in the delivery of services. *See Omnipoint Corp. v. FCC*, 78 F.3d 620, 629-30 (D.C. Cir. 1996).

Reconsiders the C and F block reauction rules in light of the extensive record compiled;

Explicitly addresses and disposes of all outstanding petitions and proposals concerning conduct of the C and F block reauction;

Makes all needed rule changes; and

Makes a determination that good cause exists for the rule changes to become effective immediately upon Federal Register publication.

Procedurally, the Commission is clearly entitled to consider this expanded record and revise its rules as necessary in the course of reconsidering its *Order*. Indeed, the Commission has in the past effectuated rule amendments in the course of reconsideration orders, even when the rule amendment had not been specifically raised in a petition for reconsideration.¹⁵ Here, in particular, such action is warranted, because Congress has directed the Commission to ensure that its auction rules further four specified objectives, including “rapid deployment” of new services “without administrative . . . delays.”¹⁶

This directive gives the Commission good cause for moving directly to an order reconsidering the C and F block reauction rules without delay,¹⁷ and the D.C. Circuit has expressly held that this is a valid reason for expedited action.¹⁸ Indeed, it would be inconsistent with this statutory directive to delay the existing auction schedule for the purpose of determining how best to further the statutory objective of avoiding delay.

¹⁵ For example, in the *Enhanced 911* proceeding, the Commission revised its rules to eliminate CMRS carriers’ cost recovery mechanisms as a predicate for their E911 obligations, based on the record developed in response to public notices instead of a further notice of proposed rulemaking. *See Revision of the Commission's Rules To Ensure Compatibility with Enhanced 911 Emergency Calling Systems*, CC Docket 94-102, FCC 99-352 (Dec. 8, 1999).

¹⁶ 47 U.S.C. § 309(j)(3)(A).

¹⁷ *See* 5 U.S.C. § 553(b).

¹⁸ *Omnipoint*, 78 F.3d at 629-30.

The record is sufficient to proceed directly to a reconsideration order that takes all actions needed to address the issues raised in all of the outstanding petitions and other filings concerning conduct of the C and F block reauction, including DE eligibility, band plan, and other issues.¹⁹ The *full record*, and not just the Petitioners' proposal, should be considered. While the Petitioners believe that their substantive proposal, as set forth herein, will best balance all four statutory objectives, the Commission has a duty to consider the full record concerning the changes that have taken place, including all of the alternative approaches that have been suggested, and variants on them.

This should be done expeditiously. Time is of the essence, given the impending date for the reauction. All of the issues have been joined in the petitions and comments already on file. The proposal set forth herein merely restates what has already been filed. Accordingly, the record is more than adequate to proceed to a decision. As stated above, the Commission should immediately issue a public notice, published in the Federal Register, providing a brief opportunity for comment on this petition for reconsideration, **without waiting for the close of the full 30-day reconsideration window**. In this public notice, the Commission should make clear that it will be considering not only this petition for reconsideration, but the entire record resulting from the Nextel, SBC, and related petitions, as well as any later-filed, timely petitions for reconsideration of the *Order*.²⁰ Given the extensive record already developed, only a very brief comment period (*e.g.*, 10

¹⁹ For example, there are outstanding petitions concerning the applicability of the spectrum cap to the C and F block licenses at issue. These need to be addressed together with the other filings, given the interrelatedness of the spectrum cap issue with the DE eligibility, band plan, and bulk bid issues, and accordingly the spectrum cap petitions should be addressed in the reconsideration order based on the full record. Petitioners take no position herein on whether the CMRS spectrum cap should be amended, however.

²⁰ The public notice should indicate that if additional petitions for reconsideration are filed within the 30-day window, they will be considered in the order resulting from this public notice, and no further public notice or comment period will be established, in order to expedite a decision. There is no statutory obligation to provide public notice or a comment period for petitions for reconsideration, and the Commission clearly has the authority to establish procedures for particular proceedings that vary from those ordinarily prescribed by its rules, under 47 U.S.C. § 154(j). In any event,

days) would be warranted.²¹ The Commission is not under any legal obligation to provide repeated opportunities for further comment on every alternative suggested. The whole point of receiving comments is to take those comments into account, including consideration of the alternative proposals suggested therein.²² Moreover, the D.C. Circuit has long upheld the Commission's authority to adopt proposals made late in the process that are a logical outgrowth of the prior proposals without any legal obligation to provide additional opportunities for comment.²³ Once the record has been closed, the Commission should proceed directly to an order that will become effective immediately.²⁴

parties wishing to address points made in a later petition for reconsideration have the ability to do so in an *ex parte* filing, if the Commission has determined that it will not provide a formal opportunity for comment.

²¹ The Commission should also advise the public that since the entire existing record on reauction matters will be considered, parties need not file comments simply restating their positions.

²² See *Omnipoint, supra*.

²³ See *Action for Children's Television v. FCC*, 564 F.2d 458, 473 (D.C. Cir. 1977).

²⁴ The need to have rules in place in time for the July 25 reauction clearly constitutes good cause for making the rule changes effective on less than 30 days' notice. The FCC's authority to make auction rules effective on short notice has been affirmed based on the Section 309(j)(3)(A) directive to act without administrative or judicial delay. See *Omnipoint v. FCC, supra*.

CONCLUSION

Expedited processing and consideration of this petition for reconsideration is clearly warranted, given the established July 25 date for the reauction. Accordingly, Petitioners respectfully request that the Commission place this petition on public notice and publish such public notice in the Federal Register without delay, and establishing an abbreviated comment cycle on all proposals in the record. The Commission should, thereafter, proceed directly to an order that (a) reconsiders the *Order*, (b) acts on all outstanding C and F block reauction filings, (c) amends its rules in accordance with the requirements of 47 U.S.C. § 309(j)(3), and (d) becomes effective immediately.

Respectfully submitted,

U S WEST WIRELESS, LLC

By: _____

Julia K. Kane
Jeffry A. Brueggeman
1801 California Street, Suite 5100
Denver, CO 80202
(303) 672-2722

SPRINT SPECTRUM L.P.
DBA SPRINT PCS

By: _____

Jonathan M. Chambers
401 9th Street, N.W., Suite 400
Washington, D.C. 20004
(202) 585-1923

April 4, 2000

APPENDIX: SPECIFIC PROPOSED RULE CHANGES

The following proposed rule changes are drafted as notes to be appended to the rules. This appears to be an appropriate way of proceeding, given that the rule changes would apply only to Auction No. 35. Obviously, the Commission could, alternatively, incorporate the changes directly into the text of the rules, but this would appear to be unnecessarily complicated, involving extensive, detailed rule revisions. Petitioners have set forth two alternatives for the proposed amendment to Section 24.709, in light of the partial set-aside alternative discussed in footnote 10.

1. 47 C.F.R. § 24.229, **Frequencies**, is amended by appending to it the following note:

* * * * *

NOTE: Licenses from Block C that are reaucted in Auction No. 35 have been disaggregated into multiple licenses. Certain of these licenses are 15 MHz licenses, resulting from the disaggregation option as provided in *The Commission's Rules Regarding Installment payment Financing for Personal Communications Services (PCS) Licensees, Second Report and Order and Further Notice of Proposed Rule Making*, WT Docket 97-82, 12 FCC Rcd 16,436 (1997), as modified by *Order on Reconsideration of the Second Report and Order*, WT Docket 97-82, 13 FCC Rcd 8345 (1998). Other such licenses, which were either turned in pursuant to the cited order or were automatically cancelled, have been disaggregated by the Commission into three 10 MHz licenses. For purposes of the reauction of these licenses in Auction No. 35, 1895-1902.5 MHz, paired with 1975-1982.5 MHz, is designated as Block C15A; 1902.5-1910 MHz, paired with 1982.5-1990 MHz, is designated as Block C15B; 1895-1900 MHz, paired with 1975-1980 MHz, is designated as Block C10A; 1900-1905 MHz, paired with 1980-1985 MHz, is designated as Block C10B; 1905-1910 MHz, paired with 1985-1990 MHz, is designated as Block C10C.

2. a. **No set-aside alternative:** 47 C.F.R. § 24.709, **Eligibility for Frequency Blocks C and F**, is amended by appending to it the following note:

* * * * *

NOTE: For Auction No. 35, the eligibility requirements in Section 24.709 are inapplicable, with the exception of Section 24.709(b)(9), for Blocks C15A, C15B, C10A, C10B, C10C, and F. Applicants meeting the eligibility requirements may optionally proceed under the rule and, if so, will remain subject to the provisions of Sections 24.712, 24.714, and 24.717, as provided in Notes to those rules.

b. ***Set-aside alternative:*** 47 C.F.R. § 24.709, **Eligibility for Frequency Blocks C and F**, is amended by appending to it the following note:

* * * * *

NOTE: For Auction No. 35, the eligibility requirements in Section 24.709 are inapplicable, with the exception of Section 24.709(b)(9), for Blocks C15A, C15B, C10A, C10B, and F. Applicants for these Blocks meeting the eligibility requirements may optionally proceed under the rule and, if so, will remain subject to the provisions of Sections 24.712, 24.714, and 24.717, as provided in Notes to those rules. Block C10C remains reserved for designated entities demonstrating that they meet the eligibility requirements in accordance with the rule.

3. 47 C.F.R. § 24.710, **Limitation on licenses won at auction for frequency Blocks C and F**, is amended by appending to it the following note:

* * * * *

NOTE: The provisions of Section 24.710 are inapplicable to Auction No. 35.

4. 47 C.F.R. § 24.712, **Bidding Credits for Licenses for Frequency Block C**, is amended by appending to it the following note:

* * * * *

NOTE: For Auction No. 35, Section 24.712 is inapplicable to entities applying pursuant to the Note appended to Section 24.709 rendering that section's eligibility requirements inapplicable. Entities who demonstrate their eligibility as designated entities pursuant to Section 24.709 shall be entitled to bidding credits in accordance with Section 24.712.

5. 47 C.F.R. § 24.714, **Partitioned Licenses and Disaggregated Spectrum**, is amended by appending to it the following note:

* * * * *

NOTE: Licenses acquired at Auction No. 35 pursuant to Note to Section 24.709 rendering the eligibility requirements of that Section inapplicable shall be subject to Section 24.714(a)(2) and not (a)(3), and shall not be subject to Section 24.714(c). Licenses acquired at Auction No. 35 by entities meeting the eligibility requirements in Section 24.709 shall be subject to Section 24.714 as written.

6. 47 C.F.R. § 24.717, **Bidding Credits for Licenses for Frequency Block F**, is amended by appending to it the following note:

* * * * *

NOTE: For Auction No. 35, Section 24.717 shall be inapplicable to entities applying pursuant to the Note appended to Section 24.709 rendering that Section's eligibility requirements inapplicable. Entities who demonstrate their eligibility as designated entities pursuant to Section 24.709 shall be entitled to bidding credits in accordance with Section 24.717.